

BANKING DIVISION[187]

Adopted and Filed

Rule making related to legal lending limits

The Iowa Division of Banking hereby amends Chapter 9, “Investment and Lending Powers,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is adopted under the authority provided in Iowa Code section 524.213.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code section 524.904 as amended by 2022 Iowa Acts, Senate File 586, sections 85 through 88.

Purpose and Summary

This rule making updates language to reflect changes made to the statutory legal lending limit. The previous language referred to an extra borrowing privilege for loan or lease amounts secured by certain collateral, and this extra borrowing privilege was based on analogous privileges codified in Iowa Code section 524.904. These statutory provisions were amended by 2022 Iowa Acts, Senate File 586, to remove extra borrowing privileges for loan or lease amounts secured by the types of collateral identified in the current rule language. Therefore, the Division is amending paragraph 9.3(3)“a” to accurately reflect the current legal lending limits.

Public Comment and Changes to Rule Making

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on October 19, 2022, as **ARC 6605C**. No public comments were received. No changes from the Notice have been made.

Adoption of Rule Making

This rule making was adopted by the Superintendent of Banking on December 15, 2022.

Fiscal Impact

This rule making has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Division for a waiver of the discretionary provisions, if any, pursuant to 187—Chapter 12.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee’s

meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rule making will become effective on February 15, 2023.

The following rule-making action is adopted:

Amend paragraph **9.3(3)“a”** as follows:

a. If the obligations acquired carry full recourse endorsements, guaranty, or an agreement to repurchase of the lessor or servicer negotiating the sale of the leases, then the endorser, guarantor, or repurchaser shall also be deemed to be a customer of the bank. This customer’s obligation would be limited to ~~35~~ 15 percent of aggregate capital of the state bank ~~if the amounts exceeding 15 percent of aggregate capital consist of obligations as endorser of negotiable chattel paper negotiated by endorsement with recourse, or as unconditional guarantor of nonnegotiable chattel paper, or as transferor of chattel paper endorsed without recourse subject to a repurchase agreement.~~

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